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PUBLIC UTILITIES COMMISSION  
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04333-0018

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August 5, 2003

Josiah H. Drummond, Jr.  
President  
Bethel Water District  
P.O. Box 104  
Bethel, ME 04217-0104

RE: Bethel Water District Request for Waiver of Chapter 65. Docket No. 2003-510

Dear Mr. Drummond:

On September 5, 2002, Bethel Water District (District), filed its request for an exemption from sections 1(B), 1(C), and 4(D) of Chapter 65 of the Commission's Rules. The exemption is requested to permit the District and MSAD #44 to cap the customer contribution, to the MSAD #44 water main extension, at \$1,200 during construction of the extension or \$1,700 for the 10 years following construction of the extension. This is intended to encourage existing homeowners and businesses along the extension route, to connect to, and contribute to, the main extension.

The District and MSAD #44 have agreed to cap the customer contribution towards the cost of the extension and have entered into a main extension contract containing that provision.

The main extension contract also contains a provision for a "Source Enhancement Fee". While Commission approval is not required for the fee contained in this contract, the district must obtain Commission approval for a fee if it will be charged to applicants for water service. We continue to suggest that the District consider the adoption of a System Development Charge that would incorporate the source enhancement costs. The Legislature has authorized Districts to adopt such a charge provided that the District takes certain actions.

The Commission, by its Order in Docket No. 87-10 has delegated to the Director of the Technical Analysis Division the authority to approve exemptions to Chapter 650 of the Commission's Rules. The delegation order requires that the Director of Technical Analysis obtain unanimous consent of the Directors of the Finance, Legal, and Consumer Assistance Divisions prior to approving any exemptions.

I have consulted with the Division Directors and we are in agreement that the Bethel Water District is hereby granted an exemption from the requirements of sections 1(B), 1(C), and 4(D) of Chapter 650 of the Commission's Rules for purposes of limiting the customer contribution for customers connecting to the MSAD #44 main extension.

Sincerely,

Faith Huntington  
Acting Director  
Technical Analysis Division

REH/jca

cc: Case File